

Vendor Profile

Camunda: Driving Process Automation and Orchestration for Core Processes

Neil Ward-Dutton

IDC OPINION

Organizations the world over are prioritizing investments in business automation and decision intelligence technologies. In a recent IDC survey of over 700 organizations worldwide, over 60% reported that they are prioritizing increased investment in automation and augmentation technologies to create adaptive business operations, and 54% of organizations reported that they are prioritizing increased investment in data management, analytics, machine learning (ML), and artificial intelligence (AI) technologies to drive improved operational visibility and better decision making. In line with this, IDC predicts that by 2022, 70% of organizations will have accelerated use of digital technologies, transforming existing business processes to drive customer engagement, employee productivity, and business resiliency.

Camunda has established a strong position in the fast-moving and complicated intelligent process automation market. It used its open source roots, combined with its engineering talent focused on performance and reliability as well as standards support, to meet the needs of professional software developers looking to build mission-critical systems that digitize core business processes. Securing \$100 million venture funding in March 2021 gives Camunda access to the resources it will need as it continues to build its international market presence, partner community, as well as visibility and reputation among senior business stakeholders.

IN THIS VENDOR PROFILE

This IDC Vendor Profile focuses on Camunda, a software and services provider of business process automation and workflow management platforms and solutions.

SITUATION OVERVIEW

Company Overview

Camunda is a Berlin-headquartered software and services provider specializing in business process automation and workflow management. The company was founded in 2008 by CEO Jakob Freund and Chief Technologist Bernd Ruecker, initially to provide business process consulting services. Since 2013, the company has focused on building its own open source business process automation portfolio, and over the years, it has become primarily focused on license sales and less focused on professional services (training and enablement services now account for less than 10% of the company's revenue).

As of 2021, the company has around 300 employees across 10 countries, supporting over 100,000 community members and 400+ enterprise customers that pay for enterprise license subscriptions rather than simply consuming the open source Camunda core product that remains. In March 2021, Camunda secured \$100 million in a Series B venture funding round from Insight Partners and Highland Europe. Until recently, the company has been revenue-funded, and it plans to use this funding to help it expand its product offering and global go-to-market efforts.

Camunda has had the most success in three industries: banking, insurance, and telecoms. Beyond this, it has also built significant customer bases in media, transport and logistics, technology, manufacturing industries, and the public sector.

With the 2021 launch of its platform-as-a-service offering – Camunda Cloud – the company now has two main offerings:

- Camunda Platform is available as downloadable software, either as a free, open source distribution (Community Edition) or as a commercial product that includes a number of key premium features as well as support. Customers use Camunda Platform to build and run automated processes on-premises, or self-host in a public or private cloud environment. Camunda Platform Enterprise Edition includes three value-adding capabilities beyond the core Camunda Platform runtime and development tools:
 - Advanced management and integration features for enterprise deployments
 - Operations management tooling for monitoring and troubleshooting running workflows
 - Visual business process analytics for process improvement and optimization
- Camunda Cloud is a new, hosted managed service offering that Camunda calls "process automation as a service." Camunda offers a 30-day free trial, or customers pay a monthly subscription to access the Professional Edition (full-featured, Camunda-hosted, 8 x 5 support, and 99.5% availability guarantee) or the Enterprise Edition (full-featured, either Camunda- or customer-hosted, 24 x 7 support, and an enterprise SLA).

A good example of Camunda technology usage comes from German online retailer Zalando. Zalando is Europe's largest online platform for fashion, partnering with over 1,500 brands in 15 European markets. The company was struggling with a homegrown order execution system that was inflexible and difficult for business stakeholders to use, thus Zalando replaced it with Camunda Platform. Over 144 million orders are now executed annually by Camunda Platform, with order processing taking just 300ms to be completed on average.

Company Strategy

Camunda's open source heritage continues to exert a powerful influence over its strategy and positioning.

- Support for standards is at the heart of how Camunda builds its products. When it comes to notations for defining processes and other application artifacts, the company prides itself on the completeness of its support for Business Process Modeling Notation (BPMN) and Decision Model and Notation (DMN), which are both widely recognized standards from the Object Management Group (OMG). But more than this, Camunda promotes open choice for customers in terms of application infrastructure, database choice for server state management, application user interfaces, and modelling tools.

- Camunda encourages its customers to explore using its tools and platforms to automate workflows and orchestrate microservices that underpin core business processes undergoing digital transformation rather than focusing on less mission-critical supporting processes (such as those found in finance and accounting, procurement, or HR). It designs its products to help customers implement automation and orchestration at large scale and under conditions demanding high performance and high availability, demonstrating how Camunda can orchestrate blends of human tasks, automated business rules, external system APIs, microservices, data streams from Internet-of-Things (IoT) devices, AI services, and robotic process automation (RPA) bots.
- Whereas most vendors of workflow or process automation platforms have embraced low-code approaches and position their products as being able to help "citizen developers" get more involved in, and perhaps drive, automation projects. Camunda has a strong focus on meeting the needs of professional developers. Its view is that although low-code approaches can reduce time-to-deliver in simple projects, in the use cases its customers focus on, developers must always "break out" of the canned tools provided to carry out custom coding. Therefore, its approach is to provide lightweight tools that customers can use to get started and that developers can use to train themselves to build more sophisticated applications using Camunda technology.

A Growing Partner Ecosystem

As it has shifted away from monetizing its own consulting services as a priority, Camunda has built – and continues to grow – its third-party implementation services partner ecosystem. While large, multinational, diversified providers such as Capgemini, Wipro, Infosys, PwC, and Cognizant are key partners, Camunda's ecosystem is also powered by more specialist and industry- or geography-focused service providers such as BP3, Mphasis, Novatec, Capital BPM, and Opitz Consulting. Currently, around 20% of Camunda's revenue comes via partners – its ambition is to grow this partner contribution to greater than 50%. Beyond its growing implementation partner ecosystem, Camunda also has a handful of technology partners with which it prioritizes technology integration. RPA vendors Automation Anywhere and UiPath are also a priority. Camunda also has licensing relationships with Amdocs and others that have Camunda tools embedded within their partners' applications and platforms.

FUTURE OUTLOOK

Camunda is focusing its future business development efforts on continued geographic expansion – growing in Asia/Pacific and Latin America, as well as parts of EMEA that have not already been well developed – through an expanded direct sales team as well as partners. It is also focusing on adding more self-service enablement and training content for its fast-growing user and partner community. From a product perspective, Camunda's road map continues focusing on excellence in the developer experience, improving developer productivity, adding new enterprise process automation functionality, and further developing its Camunda Cloud process automation-as-a-service offering.

ESSENTIAL GUIDANCE

Advice for Camunda

Camunda has built a strong foundation for its business from its intuitive understanding of the needs of developers wanting to accelerate their delivery of workflow and orchestration applications. Its open source roots have helped it build an enviable community of developers who understand what Camunda can do and will advocate for its technologies. However, as Camunda continues to grow and seek strategic relationships with customers, it will need to find ways to educate, engage, and convince business leaders of its value and differentiation, while continuing to engage the professional developer community.

LEARN MORE

Related Research

- *Market Analysis Perspective: European Intelligent Process Automation, 2021* (IDC #EUR145895820, March 2021)

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IDC U.K.

IDC UK
5th Floor, Ealing Cross,
85 Uxbridge Road
London
W5 5TH, United Kingdom
44.208.987.7100
Twitter: @IDC
blogs.idc.com
www.idc.com

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